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ABSTRACT

This paper discusses the REAL (Rural Entrepreneurship through Action Learning) model as a necessary component of rural school-to-work (STW) programs. In rural areas where opportunities for traditional STW approaches (such as apprenticeships) are limited, entrepreneurial education teaches students to be job creators, not just job applicants. This approach also prepares students for a changing workplace, where problem-solving and decision-making abilities are as important as technical skills. Founded in the early 1980s, REAL now operates in over 200 institutions in 30 states. REAL entrepreneurship is an experiential course of study taught for credit in high schools (usually grades 11-12) and community colleges, and to the general public through community organizations. REAL students explore the realities and rewards of small business ownership by assessing their personal abilities and goals, analyzing the community, identifying business ideas that meet local needs, writing plans for a chosen venture, and opening their own enterprises. Enterprises begun by students "graduate" into the community with the students who created them. At the elementary and middle school levels, REAL programs foster career awareness and student involvement in the community. Development of a REAL program requires a three-way partnership between a school, the community, and REAL Enterprises organizations. Local STW funds may be used for certain costs. This paper includes initial steps to establish a REAL program, costs, possible funding sources, benefits, and contact information for national and state REAL organizations. (SV)

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Making Entrepreneurship Education Work: The REAL Enterprises Model

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Background

For decades, economic dislocation and stagnation in rural communities across the United States have placed rural youth in a trap. Trained to be applicants for a steadily decreasing number of good jobs, high school graduates are forced to choose between two equally unsatisfying options: staying in the local community to pursue limited job opportunities, or leaving to "seek their fortune" elsewhere, either in further education or in employment in urban areas.

More often than not, rural youth choose to leave. Rural towns and counties suffer gravely from this outflow of talent, which saps communities of the leadership and brainpower needed to craft strategies for surviving, let alone thriving, in an increasingly complex world.

At the same time, the US economy, particularly since 1980, has become increasingly entrepreneurial. Large employers have been downsizing, outsourcing work that was previously done in-house to smaller, entrepreneurial companies. These newer companies have generated by far the lion's share of new jobs over the past five years. (Indeed, most high school graduates today will end up working for a number of different employers, many in industries *that don't even exist yet.)* What's more, fully 20% of Americans now are self-employed.

The nature of work in organizations of all sizes has changed, too. Companies and organizations large and small are looking for "intrapreneurial" employees, those who can identify and act upon opportunities in their workteam, division or company. The ability to solve problems, make decisions and work effectively with colleagues and customers alike is today just as important as specific technical skills.

For all these reasons, entrepreneurial education needs to be included in school-to-career systems, particularly in rural areas, where the opportunities for traditional School-to-Work approaches (e.g., apprenticeships) are few and far between. Rural students need to learn to be job *creators*, not just job *applicants*, so that they can see and seize opportunities in their local communities and workplaces, either as entrepreneurs or as employees.

Since the early 1980's, REAL Enterprises (Rural Entrepreneurship through Action Learning) has been equipping schools to contribute to the economic and community development of the communities they serve, by encouraging entrepreneurial talent and the creation of sustainable businesses. Founded by Dr. Jonathan P. Sher, a nationally recognized authority on rural education and development, and Dr. Paul DeLargy, a leading community educator in Georgia, REAL now operates in over 200

elementary, secondary and post-secondary institutions in 30 states. REAL Enterprises has proved to be a successful strategy for linking rural schools and communities through student entrepreneurship.

How It Works

REAL Entrepreneurship is an experiential course of study taught for credit in high schools and post-secondary institutions, and through community-based organizations. At the high school level, REAL Entrepreneurship is typically taught over a school year (or for a semester on a 4 X 4 system). Post-secondary REAL programs may range from 22 weeks to two semesters in length.

In REAL, students explore the realities and rewards of small business ownership by:

- assessing their personal strengths, abilities, and goals;
- analyzing the local community;
- identifying business ideas that meet local needs;
- researching and writing business plans for a chosen venture; and
- opening and operating their own "honest to goodness" enterprises.

Enterprises begun by students (based on the feasibility of the business plan) "graduate" with the students who create them. Enterprises may include:

- micro-enterprises,
- home-based businesses,
- community services, and
- full-scale businesses.

Some examples of enterprises begun by REAL students include: computer sales and service, craft studio, manufacturing, formal wear, alternative agriculture, furniture making, automotive repair, welding, HVAC service, Internet marketing, lawn service, catering, office product liquidation, recycling, child care, and entertainment.

The REAL classroom is experiential, meaning that students learn by undertaking and reflecting upon activities that are essential to the completion of their business plan and the eventual running of their businesses. Students participate in a wide range of group activities. (The REAL Curriculum Guide contains over 160 such activities designed to help students build small business skills and knowledge, and develop critical thinking and life skills.)

The community serves as the laboratory for the REAL class. Students research their business ideas by gathering information about potential competitors and suppliers, locations, and markets in the community. A Community Support Team of entrepreneurs,

lawyers, bankers, and others concerned with economic and community development serves as mentors and advisors for students (and colleagues for the REAL instructor).

Who Participates in REAL?

Schools typically "cast a wide net" in recruiting students for the REAL program. High school REAL students between 1991-1995 were roughly divided equally among college preparatory, general, and vocational "tracks." More females than males enroll in REAL, and REAL participants mirror the demographics of their states. The majority of participants wish to remain in their local community.

REAL at the high school level is designed for students in grades 11 and 12. At the community college level, REAL is offered both to full-time students in business and vocational courses of study who need to know how to make a successful living from their technical skills, and to the general public on a continuing education basis.

Elementary and middle school model

REAL Enterprises launched Mini-REAL, an elementary and middle school program fostering entrepreneurship, career awareness, and community involvement, in 1996. In the K-5 program, students create their own community, complete with a school specific currency, a marketplace comprised of student-run businesses, a revenue/banking realm, and a judiciary system. Students apply for and hold a different job every semester, choosing from over 100 different opportunities ranging from entrepreneur to mayor and from lawyer to tax collector.

At the middle school level, REAL focuses on deepening student understanding of and involvement in the local community, through the identification and implementation of specific projects planned by students.

REAL Partnership

A three-way partnership is essential to the creation and maintenance of a successful REAL program.

A school provides:

- an instructor(s) with administrative support and adequate planning time;
- time and space for a non-traditional classroom and coursework; and
- a high quality educational experience for students.

The community provides:

- a source of learning and research for students;
- businesses and business service providers;
- mentors/advisors who serve on the REAL Community Support Team; and
- patronage of student enterprises.

REAL Enterprises organizations provide:

- curriculum and resource materials (a 5-volume REAL Curriculum Guide, student workbooks, and integrated computer software);
- training, networking, and support for instructors (including a required 40-hour summer Institute held annually, follow-up in-service seminars, and on-going site visits);
- technical assistance to student entrepreneurs (including access to start-up capital in some areas);
- program evaluation (collection of demographic information about REAL students and measures of student learning in the areas of business knowledge and critical thinking and life skills); and
- publications and electronic networking (a quarterly newsletter, The REAL Story and an e-mail network for teachers).

Getting Started

To establish a REAL program, a school or community must identify an instructor for the program who can attend the REAL Institute and commit to teaching the program in his or her school. REAL instructors typically:

- have an interest in learning new teaching practices that help them reach all students,
- have some knowledge of, or background in, business or entrepreneurship, and
- are willing to lead the implementation of a new program in their institution.

In Pennsylvania, Maine and Vermont, schools must apply to the REAL Enterprises organizations in those states, which are responsible for providing follow-up support to REAL teachers and schools. Schools form a partnership with these state REAL organizations to implement the program. In other Northeastern states, schools or teachers should contact national REAL directly. (See "Contacts" below.)

The REAL Institute will be held in 3 locations across the US in the summer of 1998; separate Institutes for Mini-REAL (elementary and middle school) will also take place.

Budget

The cost for establishing a REAL program is approximately $4,000, which includes the cost of attending the REAL Institute (1 year only), follow-up in-service seminars (for 2 years), student workbooks, and other start-up costs. Attendance at a 2nd year of the Institute is highly recommended (cost: an additional $700 - $1000). In those states with state REAL organizations (PA, VT, ME), grants may be available to defray some of the initial implementation costs.

On-going expenses following start-up include a $50.00/year curriculum site license fee and incidental expenses related to the course (copying, phone calls, postage, etc.) estimated at $150/year.

In all states, local STW partnership funds can be used for the cost of curriculum materials or teacher training. REAL is recognized as an official technical assistance provider by the national School-to-Work office.

Other sources which have helped fund REAL in local communities include: vocational education monies, Appalachian Regional Commission, contributions from local entrepreneurs and bankers, and rural electric cooperatives.

REAL Enterprises is a 501(c)(3) organization funded by grants from The Pew Charitable Trusts and the Annenberg Rural Challenge, curriculum and training fees, and state organization membership fees.

Results

Evaluations of REAL have found that the program successfully helps youth and adults alike develop entrepreneurial and small business knowledge and expand their critical thinking and life skills. Studies by the Center for Human Resources at Brandeis University (April, 1996) and West Virginia University (May, 1997) are available from national REAL for $5.00 each.

The program has also demonstrated its ability to help individuals from rural communities create and operate enterprises. For example, between 1991-97 in North Carolina, REAL participants started 212 new businesses and expanded, improved or purchased 132 more. These enterprises created a total of 280 full- and part-time jobs and generated more than $5 million in new sales revenue.

In addition to its positive impacts on students and communities, REAL has proven to be an extremely beneficial experience for teachers, who have praised the REAL Institute as

an exceptional learning opportunity and demonstrated significant gains in their use of experiential teaching methods.

Barriers to Overcome

Like any worthwhile initiative, REAL requires school systems and postsecondary institutions to invest human and financial resources if the program is to succeed. Helping educational institutions -- particularly those which are underfunded -- understand the importance of experiential entrepreneurship education is an important step in securing this commitment.

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